



LODI CITY COUNCIL

Carnegie Forum
305 West Pine Street, Lodi

AGENDA – SPECIAL JOINT MEETING

Date: March 14, 2006

Time: 7:00 a.m.

For information regarding this agenda please contact:

Susan J. Blackston

City Clerk

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SPECIAL JOINT MEETING

**Lodi City Council and
Lodi Budget/Finance Committee**

A. Roll call

B. Topic(s)

B-1 City Council review and provide direction to the Lodi Budget/Finance Committee with regard to the fiscal year 2006-07 budget (CM)

C. Adjournment

Pursuant to Section 54956.2(a) of the Government Code of the State of California, this agenda was posted at a place freely accessible to the public 24 hours in advance of the scheduled meeting.

Susan J. Blackston
City Clerk

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CITY OF LODI COUNCIL COMMUNICATION

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AGENDA TITLE: City Council review and provide direction to the Budget/Finance Committee with regard to the Fiscal Year 2006-07 Budget

MEETING DATE: March 14, 2006

PREPARED BY: James R. Krueger, Deputy City Manager

RECOMMENDED ACTION: That City Council provide direction to the Budget/Finance Committee with regard to the 2006-07 Budget.

BACKGROUND INFORMATION: The City Council established the Lodi Budget Committee in June 2005 and made appointments of Committee members in July, 2005. The Committee has met over the last seven months and discussed various topics including historical expenditures and revenue data, the citizens sales tax initiative, internal services funds for fleet and facilities maintenance, electric utility ownership, deferred maintenance of streets and Local Services Funding Options and Analysis.

The Budget Committee and City Council have expressed the desire to meet and discuss the role of the Committee in order to clarify areas of mutual concern and interest prior to the upcoming 2006-07 budget process. Staff suggests that the following issues be discussed at the meeting on March 14:

General Concerns and issues- City Council and Budget Committee are invited to discuss items of general concern related to the upcoming budget process (Budget Calendar will be available at the time of the meeting).

Internal Services Funds for Facilities and Fleet Maintenance- The concept of establishing internal services funds has been discussed with the Budget Committee and an advisory recommendation to establish and implement these funds has been made by the Budget Committee. The establishment of the funds will afford the opportunity to establish a mechanism for charging both the cost of operations and the ultimate replacement of equipment and facilities in a fair and equitable fashion to the users of these resources.

Deferred Maintenance of City Facilities- It has been estimated that as much as \$2- 4 million in deferred maintenance costs have been incurred. If these costs were included in the funding needs for the current budget or in the 2006-07 Budget it would cause the budgets to be out of balance. This challenge will not go away with time and in fact will be exacerbated by the effects of increased maintenance demands that will result as time passes. Recommendations for funding of this need are welcome from the Budget Committee and it is suggested that this direction be given to the Committee for their consideration.

APPROVED: _____
Blair King, City Manager

Impact of new development on delivery of services- Analyze, assess and recommend mitigations if necessary of impacts of new development upon existing services.

Program budgets- During the course of budget discussions and deliberations, it may be necessary to consider budget reductions. The Budget Committee is invited to make recommendations to the City Council on an approach to delineating programs within City Departments that would afford opportunities for consolidation, elimination or other methods of better service delivery.

These are the major areas that staff recommends for consideration of direction by the City Council to the Budget Committee to address for the 2006-07 Budget.

James R. Krueger, Deputy City Manager